

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF DELAWARE**

IN THE MATTER OF THE TARIFF FILING	)	
BY CHESAPEAKE UTILITIES CORPORATION	)	
FOR A NEW RATE SCHEDULE	)	PSC DOCKET NO. 19-0604
“MVFF” CALLED TOWN OF MILLVILLE	)	
FRANCHISE FEE RIDER	)	
(FILED SEPTEMBER 18, 2019)	)	
	)	

**ORDER NO. 9493**

AND NOW, this 5<sup>th</sup> day of November 2019, the Public Service Commission (the “Commission”) determines and orders the following:

**WHEREAS**, on September 18, 2019, Chesapeake Utilities Corporation (“Chesapeake” or the “Company”) filed with the Commission an application (“Application”) seeking approval of a new gas service tariff schedule called the “Town of Millville Franchise Fee” (or “MVFF”). The MVFF contains a proposed surcharge (the “MVFF Surcharge”) of \$0.0100 per 100 cubic feet (“Ccf”) of delivered natural gas and will be assessed against all of the natural gas customers of Chesapeake who reside within the limits of the Town of Millville (the “Town”). Chesapeake’s proposed revised rate schedule tariff leafs are attached as **Exhibit “A”** (redlined version) and **Exhibit “B”** (clean version); and

**WHEREAS**, the proposed MVFF Surcharge of \$0.0100 per Ccf of natural gas is meant to mirror the volumetric franchise fee imposed upon the Company by the Town of Millville under a twenty-year franchise agreement adopted by the Town of Millville on September 10, 2019; and

**WHEREAS**, Chesapeake requested that the Commission schedule this matter to consider the proposed MVFF Surcharge and tariff changes so that such surcharge and tariff changes could be effective for bills rendered on and after November 5, 2019;<sup>1</sup> and

**WHEREAS**, pursuant to PSC Order No. 9479 (October 8, 2019), the Commission directed Chesapeake to publish notices in the Delaware State News and The News Journal regarding the proposed MVFF Surcharge and tariff revisions and directed that such notices announce that the Commission would afford interested persons the opportunity to file, on or before October 14, 2019, objections, written comments, or interventions to the proposed MVFF Surcharge and tariff changes; and

**WHEREAS**, no person or entity filed any objections or written comments in this docket; and

**WHEREAS**, the Commission has previously approved similar surcharges for Chesapeake's Town of Laurel,<sup>2</sup> Town of Selbyville,<sup>3</sup> Town of Dagsboro,<sup>4</sup> Town of Frederica,<sup>5</sup> Town of Smyrna<sup>6</sup> and the City of Lewes<sup>7</sup> with all such surcharges arising from similar franchise fees imposed by those jurisdictions;<sup>8</sup> and

**WHEREAS**, having reviewed the record evidence in this proceeding, the Commission concludes that it is appropriate, in this circumstance, for the MVFF Surcharge to be passed through to Chesapeake's customers who reside within the Town's jurisdiction,

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<sup>1</sup> The Company agreed to an effective date of November 5, 2019, which would accommodate sufficient time for public comments and interventions.

<sup>2</sup> See PSC Order No. 8867 dated March 22, 2016.

<sup>3</sup> See PSC Order No. 8195 dated August 7, 2012.

<sup>4</sup> See PSC Order No. 8070 dated November 8, 2011.

<sup>5</sup> See PSC Order No. 8697 dated January 6, 2015.

<sup>6</sup> See PSC Order No. 8745 dated June 2, 2015.

<sup>7</sup> See PSC Order No. 8071 dated November 8, 2011.

<sup>8</sup> The Commission has also permitted Delmarva Power & Light Company to charge its customers in the City of Wilmington a surcharge rider to collect the public utility tax imposed by that City. See PSC Order No. 6266 (September 9, 2003).

provided, however, that Chesapeake may not treat the MVFF Surcharge as a general expense of the Company;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NO FEWER THAN THREE COMMISSIONERS:**

1. The Commission hereby approves Chesapeake's MVFF Surcharge and related tariff changes, which are set forth in the attached **Exhibit "A"** (redlined version) and **Exhibit "B"** (clean version). Such MVFF Surcharge shall be calculated at \$0.0100 per Ccf of natural gas delivered to all firm and interruptible delivery service customers of Chesapeake within the limits of the Town (excluding those customers from whom Chesapeake is prohibited by law from collecting said fees) and shall be effective for bills rendered on or after November 5, 2019. Within five business days of the date of this Order, Chesapeake shall file with the Commission revised tariff leafs to reflect the approval of the MVFF Surcharge.

2. By approving this surcharge in the instant docket, the Commission makes no conclusion whether, and to what extent, towns and municipalities may impose franchise fees. The Commission continues to reserve the power to revisit the appropriate ratemaking treatment arising from this and other municipal franchise fees imposed on Chesapeake and other regulated public utilities.

3. Chesapeake shall identify such MVFF Surcharge as a separate line item on its bills to its customers within the Town. Chesapeake may not treat this MVFF Surcharge as a general expense of the company and may not impose in any way such surcharge on the other ratepayers of Chesapeake who do not reside within the jurisdiction of the Town.

4. The Commission reserves the jurisdiction and authority to enter such other or further orders in this matter as may be deemed necessary or proper.

**BY ORDER OF THE COMMISSION:**

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Chairman

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Commissioner

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Commissioner

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Commissioner

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Commissioner

ATTEST:

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Secretary

**EXHIBIT “A”**

**CHESAPEAKE UTILITIES CORPORATION’S  
RATE SCHEDULE FOR THE TOWN OF MILLVILLE  
FRANCHISE FEE RIDER (REDLINED VERSION)**

CHESAPEAKE UTILITIES CORPORATION  
DELAWARE DIVISION

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Issue Date: ~~May 16, 2016~~ September 18, 2019

Effective Date: For Bills Rendered On And After ~~August 1, 2016~~ November 1, 2019

Authorization: ~~Order No. 8005 in PSC Docket No. 16-0642 dated July 12, 2016~~

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RATE SCHEDULE "MVFF"

TOWN OF MILLVILLE FRANCHISE FEE RIDER

PURPOSE

The purpose of this rider is to recover the Town of Millville franchise fee, from all customers within the limits of the Town of Millville in accordance with the Franchise Agreement between the Company and the Town of Millville. This franchise fee will be in effect until September 10, 2039.

APPLICABILITY

The Town of Millville Franchise Fee Rider will be applicable to all firm and interruptible Delivery Service customers within the limits of the Town of Millville, excluding those customers from whom the Company is prohibited by law from collecting said surcharge.

RATE

The rate applicable to all Delivery Service throughput is \$0.0100 per Ccf.

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Issue Date: September 18, 2019

Effective Date: For Bills Rendered On And After November 1, 2019

Authorization:

**EXHIBIT “B”**

CHESAPEAKE UTILITIES CORPORATION’S  
RATE SCHEDULE FOR THE TOWN OF MILLVILL  
FRANCHISE FEE RIDER (CLEAN VERSION)



CHESAPEAKE UTILITIES CORPORATION  
DELAWARE DIVISION

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